

# FISCAL NOTE

## SJR 587

March 5, 2002

**SUMMARY OF BILL:** Proposes an amendment to Article II, Section 28, of the Constitution of the State of Tennessee to provide: *The Legislature shall have power to levy a tax on earned and unearned personal income, but at no rate greater than four percent (4%); and, if the Legislature levies a tax on personal income, then no tax shall be levied on prescription medications, nonprescription medications or unprepared food or food ingredients intended for human consumption.*

The amendment shall be referred to the 103rd General Assembly and this resolution proposing such amendment shall be published in accordance with the requirements of Article XI, Section 3 of the Constitution of the State of Tennessee.

### ESTIMATED FISCAL IMPACT:

#### Increase State Expenditures - \$20,000 One-Time

Assumes a cost of \$20,000 to the Secretary of State to print notice of the proposed amendment in certain newspapers as required by this resolution.

For information purposes, the following should be noted:

- A one percent tax on income is estimated to generate net state revenues in excess of \$650,000,000. Any amounts generated would be dependent on exemption levels and deductions established.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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